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Construction of additional conference facilities at Bangkok and Addis Ababa

Report of the Secretary-General*

Summary

In accordance with General Assembly resolution 39/236, annual progress reports have been submitted to the General Assembly on the construction of conference facilities at Addis Ababa. The present report provides information on the completion of the project, which was closed and capitalized in the books of the Organization on 30 June 2000. No further progress reports on this project will be submitted.

Upon completion of the construction project, a fund balance in the amount of $7,702,600 remains under the construction-in-progress account. The Secretary-General recommends retention of those funds, pending consideration of all related matters.

* The present report is being submitted after the deadline due to the need to include data on the status of the construction-in-progress account, in order to make proposals on disposal of the balance of funds under that account.

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I. Introduction

1. By resolution 39/236 of 18 December 1984, the General Assembly approved the construction of additional conference facilities at the Economic Commission for Africa (ECA) at Addis Ababa.

2. In accordance with resolution 39/236, annual progress reports have been submitted on the construction project. The present report focuses on the progress made since the last report, submitted to the General Assembly at its fifty-fourth session (A/54/431).

II. Status of the project at Addis Ababa

A. Status of construction

3. Construction of the new conference facilities at the Economic Commission for Africa began on 29 April 1991. Substantial completion of the construction was achieved on 21 April 1996. The inauguration ceremony was held on 30 April 1998. The new facilities are currently in use by ECA.

4. In his report of 4 October 1999, the Secretary-General informed the General Assembly on final residual activities relating to installation of the telecommunications system at ECA (A/54/431). As part of the agreement reached with the contractor in 1998 on that remaining issue, the contractor was to ship some minor equipment related to the uninterrupted power supply system. An amount of US$ 52,266.08 had been retained, to be released upon receipt of the equipment by ECA. After delivery of the remaining equipment in 2000, the certificate of completion for the installation of the telecommunications system was issued to the contractor on 6 June 2000 and the amount retained from the final payment was released. All other pending payments to the contractor relating to the telecommunications system were finalized and processed. On 30 June 2000, the project was closed and capitalized in the books of the Organization.

B. Financial aspects of the project

5. An amount of $115,228,494 had been authorized by the General Assembly for construction of conference facilities. As at 30 June 2000, when the project was closed and capitalized, total final disbursements amounted to $114,937,567. The uncommitted balance of funds, in the amount of $290,927, remains on the construction-in-progress account, as a part of the total balance reported under that account on 30 June 2000 (see annex I).

III. Status of the construction-in-progress account

6. No current activities remain under the construction-in-progress account. The attached unaudited financial statement (annex II) reflects the financial position of the account after capitalizing the construction costs, the last activity under the account. It may be noted that the balance of funds amounts to $7,703,000, following

completion of the construction projects at Nairobi, Bangkok and Addis Ababa ($2,880,000) and accumulated bank interest ($4,822,600).

7. Possible alternatives for utilization of the balance are under review. In this connection, the Secretary-General wishes to inform the General Assembly of the compelling need for further upgrading the facilities of the United Nations Office in Nairobi and of ECA.

8. By several resolutions, the most recent of which are resolutions 54/248 and 54/249, the General Assembly has recognized the need for more extensive use of the conference facilities at Gigiri, Nairobi, for United Nations activities. Those facilities, while sufficient to accommodate the activities of the Governing Council of the United Nations Environment Programme (UNEP) and of the Commission on Human Settlements and their subsidiary bodies, are not adequate for holding large United Nations conferences and conventions. In addition, accommodation at Gigiri for United Nations agencies located in Nairobi is insufficient. The central administration in consultation with the Office in Nairobi is currently reviewing possible options to address those inadequacies.

9. Proposals are currently under consideration from ECA for construction of additional office facilities at the United Nations complex at Addis Ababa to accommodate the offices of certain United Nations agencies still located in Addis Ababa outside the United Nations compound (the Food and Agriculture Organization of the United Nations, the World Food Programme and the Office of the United Nations High Commissioner for Refugees), to be relocated to the compound for security reasons.

10. The Secretary-General intends to submit proposals in respect of United Nations facilities at Nairobi and Addis Ababa to the General Assembly at a later stage, in accordance with the procedure established by the General Assembly in resolution 37/237. Accordingly, it is recommended that the balance of $7,702,600 be retained in the construction-in-progress account until such time as the General Assembly is able to consider the above proposals.

IV. Conclusions and recommendations

11. With completion of the construction project at Addis Ababa, the present report on the project should be considered the final report.

12. The General Assembly may wish to take note of the fact that the construction of the conference facilities at Addis Ababa has been completed and the relating construction costs in the amount of $114,937,567 have been capitalized in the books of the Organization.

13. The General Assembly may wish to take note of the balance of funds in the amount of $7,702,600 that remains under the construction-in-progress account as of 30 June 2000 and decide to retain those funds in that account until it considers all related matters.

Annex I

Construction of United Nations conference facilities at Addis Ababa: status of appropriations, expenditures and unutilized funds, as at 30 June 2000

(United States dollars)

Funds authorized by the General Assembly (1984-1997)	115 228 494[a]
Disbursements	
Construction contract	94 153 712
Consultants and construction supervision	16 319 105
Contract for the telecommunications system	3 342 841
Administrative expenses	996 271
Loss on exchange rate	125 638
Subtotal	**114 937 567**
Unutilized funds	290 927
Outstanding obligations as at 30 June 2000	–
Estimated balance of the funds	**290 927**

[a] Breakdown of the funds authorized by the General Assembly:

	United States dollars
1984-1989	3 120 000
1990-1991	29 800 100
1992-1993	57 414 900
1994-1995	17 241 900
1996-1997	7 651 594
	115 228 494

Annex II

United Nations construction-in-progress account: statement of assets, liabilities, reserves and fund balances, as at 30 June 2000 (unaudited)

(Thousands of United States dollars)

Assets	
Cash and term deposits	9 553
Other accounts receivable	78
Construction-in-progress	–
Total assets	**9 631**
Liabilities	
Due to United Nations General Fund	1 928
Due to UNEP	–
Total liabilities	**1 928**
Reserves and fund balances	
Cumulative surplus[a]	7 703
Capital funds relating to land and buildings	–
Total reserves and fund balances	**7 703**
Total liabilities, reserves and fund balances	**9 631**

[a] Composed of:

ESCAP project unexpended funds	2 039.7
UNEP project unexpended funds	549.4
ECA project unexpended funds	290.9
Interest income unused	4 822.6